# Natural Energy Utility Corporation

2560 Hoods Creek Pike · Ashland, Kentucky 41102

Ms. Beth O'Donnell Executive Director Kentucky Public Service Commission 211 Sower Blvd. Frankfort, KY 40602

RECEIVED

AUG 3 0 2005

August 29, 2005

PUBLIC SERVICE COMMISSION

Case #: 2005-00000

Case No. 2005-00345

Dear Ms. O'Donnell

Please be advised that Natural Energy Utility Corporation (NEUC) has acquired the assets of American Natural Gas Corporation (ANGC) pursuant to the Order issued in Case # 2002-00050. NEUC is adopting the Rules, Rates and Regulations enforced by ANGC pursuant to Administrative Regulation 807 KAR 5:011, Section 15(6).

Natural Energy Utility Corporation is filing its quarterly gas cost report with the Kentucky PSC. The enclosed report has a case number of 2005-00000 The calculated gas cost recovery rate enclosed in this report is \$9.7160 and the base rate is \$4.24. The minimum billing rate starting October 01, 2005 should be \$13.9560 for all MCF.

Thank you for your cooperation and please call me if you have any questions.

H. Jay Freeman

President

**Enclosure** 

606 324-3920 Fax: 606 325-2991

#### SCHEDULE I

### GAS COST RECOVERY RATE SUMMARY

| COM   | PONENT   | UNIT                                 | AMOUNT   |
|---|--|--------------------------------------|--|
| EXPECTED GAS COS<br>+ REFUND ADJUSTME<br>+ ACTUAL COST ADJU<br>= GAS COST RECOVER | JSTMENTS (ACA)                                   | \$/MCF<br>\$/MCF<br>\$/MCF<br>\$/MCF | \$10.0035<br>\$0.0000<br>(\$0.2875)<br><b>\$9.7160</b> |
| GCRR to be effective for  | service rendered from October 1 to Dec. 31, 2005 |                                      |  |
|   |  |                                      |  |
| A.  | EXPECTED GAS COST CALCULATION                    | UNIT                                 | AMOUNT   |
| TOTAL EXPECTED O  | AS COST ( SCHEULE II)                            | \$                                   | \$889,371.17   |
|   | MONTHS ENDED Jun-05                              | MCF                                  | 88,906   |
| = EXPECTED GAS CO   | ST ADJUSTMENT (ECA)                              | \$/MCF                               | \$10.0035  |
| В.  | REFUND ADJUSTMENT CALCULATION                    | UNIT                                 | AMOUNT   |
| SUPPLIER REFUND   | ADJUSTMENT FOR REPPORTING PERIOD(SCHIII)         | \$/MCF                               | \$0.00   |
|   | R SUPPLIER REFUND ADJUSTMENT                     | \$/MCF                               | \$0.00   |
| + SECOND PREVIOUS   | QUARTER SUPPLIER REFUND ADJUSTMENT               | \$/MCF                               | \$0.00   |
|   | UARTER SUPPLIER REFUND ADJUSTMENT                | \$/MCF                               | \$0.00   |
| = REFUND ADJUSTM  |  | \$/MCF                               | \$0.00   |
| C.  | ACTUAL COST ADJUSTMENT CALCULATION               | UNIT                                 | AMOUNT   |
| ACTUAL COST ADI   | FOR THE REPORTING PERIOD (SCH. IV)               | \$/MCF                               | \$0.0744   |
| + DREVIOUS OUR DE   | ER REPORTED ACTUAL COST ADJUSTMENT               | \$/MCF                               | (\$0.4282)   |
| + FKE VIOUS QUARTE  | S QUARTER REPORTED ACTUAL COST ADJUSTMENT        | \$/MCF                               | \$0.0823   |
|   | QUARTER REPORTED ACTUAL COST ADJUSTMENT          | \$/MCF                               | (\$0.0160)   |
| = ACTUAL COST ADJ   |  | \$/MCF                               | (\$0.2875)   |
| 110101111000111110  |  |                                      |  |

SCHEDULE II EXPECTED GAS COST ADJUSTMENT

| ACTUAL * MCF PURCHASES FOR 12 MONTHS ENDED Jun-05 |             |                  |             |               |                             |  |  |
|---|-------------|------------------|-------------|---------------|-----------------------------|--|--|
| (1)   | (2)         | (3)              | (4)         | (5)           | (6)                         |  |  |
|   |             | BTU              |             |               | (4)*(5)                     |  |  |
| SUPPLIER  | DTH         | CONVERSION       | MCF         | RATE          | COST                        |  |  |
|   |             | FACTOR           |             |               | <b>t</b> ho                 |  |  |
| North Coast Energy                                | 0           | 1.0740           | 0           | \$5.500       | \$0                         |  |  |
| MARATHON PETROLEUM CORP.                          | 92,340      | 1.0300           | 89,650      | \$9.750       | \$874,088                   |  |  |
| TENNESSEE GAS PIPELINE                            | 0           | 1.0300           |             | \$0.000       | \$0                         |  |  |
| COLUMBIA GAS                                      | 0           | 1.1000           |             | \$0.000       | \$0                         |  |  |
| COASTAL GAS MARKETING                             | 0           | 1.1000           |             | \$0.000       | \$0                         |  |  |
| COASTAL GAS MARKETING                             | 0           | 1.1000           |             | \$0.000       | \$0                         |  |  |
| COASTAL GAS MARKETING                             | 0           | 1.1000           |             | \$0.000       | \$0                         |  |  |
| COASTAL GAS MARKETING                             | 0           | 1.1000           |             | \$0.000       | \$0                         |  |  |
| COASTAL GAS MARKETING                             | 0           | 1.1000           |             | \$0.000       | \$0                         |  |  |
| COASTAL GAS MARKETING                             | 0           | 1.1000           |             | \$0.000       | \$0                         |  |  |
| COASTAL GAS MARKETING                             | 0           | 1.1000           |             | \$0.000       | \$0                         |  |  |
| COASTAL GAS MARKETING                             | 0           | 1.1000           |             | \$0.000       | \$0                         |  |  |
| COASTAL GAS MARKETING                             | 0           | 1.1000           |             | \$0.000       | \$0                         |  |  |
| COASTAL GAS MARKETING                             | 0           | 1.1000           |             | \$0.000       | \$0                         |  |  |
| KOG   | 0           | 1.1000           | 0           | \$0.000       | \$0                         |  |  |
| ADJUSTMENT FOR ANTICIPATION (                     | OF DECREASI | ED PURCHASE REQU | JIREMENTS   |               |                             |  |  |
| MARKETER  | 0           | 1.0350           | 0           | \$0.00        | \$0                         |  |  |
|   |             |                  |             | 40. mm        | #0 <b>71</b> 00 <b>7</b> 50 |  |  |
| TOTALS  | 92,340      | 1.0300           | 89,650      | \$9.75        | \$874,087.50                |  |  |
|   |             |                  |             |               |                             |  |  |
|   |             |                  | ŢΓ          | NIT           | AMOUNT                      |  |  |
| TOTAL EXPECTED COST OF PUR                        |             | \$               | <del></del> | \$874,087.50  |                             |  |  |
| / MCF PURCHASES (4)                               |             |                  | CF          | 89,650        |                             |  |  |
| = AVERAGE EXPECTED COST PER                       | ASED        |                  | MCF         | \$9.7500      |                             |  |  |
| * ALLOWABLE MCF PURCHASES                         |             | iCF              | 91,218      |               |                             |  |  |
| (MUST NOT EXCEED MCF SALES                        | S / 95)     |                  | 14.         | - <del></del> |                             |  |  |
| = TOTAL EXPECTED GAS COST (T                      |             | 7 TA )           | \$          |               | \$889,371.17                |  |  |
| = IUIAL EXPECTED GAS COST (1                      | OBCHEDUL    | in.j             | Ψ           |               | 4002,072.27                 |  |  |

## SCHEDULE III

# SUPPLIER REFUND ADJUSTMENT

## DETAILS FOR THE 9 MONTHS ENDED

Jun-05

| PARTICULARS  |                  | UNIT     | AMOUNT           |
|--|------------------|----------|------------------|
| TOTAL SUPPLIER REFUNDS RECEIVED                        |                  | \$       | \$0.00           |
| + INTEREST<br>= REFUND ADJUSTMENT INCLUDING INTERE     | EST              | \$<br>\$ | \$0.00<br>\$0.00 |
| / SALES FOR 12 MONTHS ENDED                            | Jun-05           | MCF      | 88,906           |
| = SUPPLIER REFUND ADJUSTMENT FOR THE (TO SCHEDULE IB.) | REPORTING PERIOD | \$/MCF   | \$0.00           |

#### SCHEDULE IV ACTUAL ADJUSTMENT

| For the 3 month period ended:                                  | Inn                | n-05 |        |            |            |            |
|--|--------------------|------|--------|------------|------------|------------|
| roi die 3 mondi period ended.                                  | Particulars        | 1-03 | Unit   | (Apr-05)   | (May-05)   | (Jun-05)   |
| Total Supply Volumes Purchased                                 |                    |      | Mcf    | 6,056      | 4,483      | 2,890      |
| Total Cost of Volumes Purchased                                | İ                  |      | \$     | \$44,737   | \$30,295   | \$21,352   |
| Total Sales<br>(may not be less than 95% of<br>supply volumes) |                    |      | Mcf    | 5,920      | 4,510      | 2,850      |
| Unit cost of Gas   |                    |      | \$/Mcf | \$7.5570   | \$6.7173   | \$7.4919   |
| EGC in effect for month  |                    |      | \$/Mcf | \$6.7597   | \$6.7597   | \$6.7597   |
| Difference<br>[(Over-)/Under-Recovery]                         |                    |      | \$/Mcf | \$0.7973   | (\$0.0424) | \$0.7322   |
| Actual sales during month                                      |                    |      | Mcf    | 5,920      | 4,510      | 2,850      |
| Monthly cost difference  |                    |      | \$     | \$4,720.06 | (\$191.03) | \$2,086.75 |
|  |                    |      |        |            |            |            |
|  |                    |      |        |            | Unit       | Amount     |
| Total cost difference (Month 1 +                               | Month 2 + Month 3) |      |        |            | \$         | \$6,615.79 |
| Sales for 12 Months ended                                      | Jun                | n-05 |        |            | Mcf        | 88,906     |
| Actual Adjustment for the Reporting Period                     |                    |      |        |            | \$/Mcf     | \$0.0744   |



## FOR Entire Service Area

P.S.C. KY. NO. 2002-00192

ORIGINAL SHEET NO. 2

NATURAL ENERGY UTILITY CORPORATION

CANCELLING P.S.C. KY. NO. M \_\_\_\_\_ SHEET NO. \_N\_\_\_

| RULES | AND | REGULATION | S |      |
|-------|-----|------------|---|------|
|       |     |            |   | <br> |

2) RATES:

The following rates are applicable for service rendered on a monthly basis:

Minimum bill: \$13.956 - covers 0-1 MCF

Cost Per MCF: \$13.956

A copy of the Company's billing format is attached on Sheet 21.

- 2(A) Any customer complaining to the Company about a bill or service shall be notified of his right to file a complaint with the PSC and with all other information required by 807 KAR 5:006(9).
- 3) CUSTOMER CLASSIFICATIONS:
  - Residential: Service to customers who consists of direct natural gas usage in a residential dwelling for space heating, air conditioning, cooking, water heating and other residential uses.
  - Commercial: Service to customers engaged primarily in the sale of goods or service including institutions and local and federal government agencies for uses other than those involving manufacturing or electric power generation.
    - a) Small Commercial: up to 50MCF/day
    - b) Large Commercial: more than 50MCF/day

| DATE OF ISSUE 05/20/02      | DATE    | EFFECTIVE | 10/01/05 | •   |      |
|-----------------------------|---------|-----------|----------|-----|------|
| MONTH DAY YEA               | ĀR      | 7         | MONTH    | DAY | YEAR |
| 2/1                         | <u></u> |           | ,        | 4   |      |
| ISSUED BY H. JAY FREEMAN H. |         | MGR/_     | nesidem  | 7   |      |
| NAME OF OFFICER             |         | TITLE     |          |     |      |